

118TH CONGRESS  
1ST SESSION

# S. 1642

To amend the Rural Electrification Act of 1936 to establish the ReConnect program under that Act, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MAY 17, 2023

Mr. WELCH (for himself and Mr. MARSHALL) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

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## A BILL

To amend the Rural Electrification Act of 1936 to establish the ReConnect program under that Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “ReConnecting Rural  
5 America Act of 2023”.

6 **SEC. 2. ACCESS TO BROADBAND TELECOMMUNICATIONS**  
7 **SERVICES IN RURAL AREAS.**

8 (a) IN GENERAL.—Section 601 of the Rural Elec-  
9 trification Act of 1936 (7 U.S.C. 950bb) is amended—

1           (1) by striking subsections (a) through (f) and  
2           inserting the following:

3           “(a) PURPOSE.—The purpose of this section is to  
4           provide assistance in the form of grants, loans, and com-  
5           binations of grants and loans for the costs of the construc-  
6           tion, improvement, and acquisition of facilities and equip-  
7           ment for broadband service in rural areas.

8           “(b) DEFINITIONS.—In this section:

9           “(1) BROADBAND SERVICE.—The term  
10          ‘broadband service’ means any technology identified  
11          by the Secretary as having the capacity to transmit  
12          data to enable a subscriber to the service to origi-  
13          nate and receive high-quality voice, data, graphics,  
14          and video.

15          “(2) RURAL AREA.—

16                 “(A) IN GENERAL.—The term ‘rural area’  
17                 means any area other than—

18                         “(i) an area described in clause (i) or  
19                         (ii) of section 343(a)(13)(A) of the Con-  
20                         solidated Farm and Rural Development  
21                         Act (7 U.S.C. 1991(a)(13)(A)); and

22                         “(ii) a city, town, or incorporated area  
23                         that has a population of greater than  
24                         20,000 inhabitants.

1           “(B) URBAN AREA GROWTH.—The Sec-  
2           retary may, by regulation only, consider an area  
3           described in section 343(a)(13)(F)(i)(I) of that  
4           Act to not be a rural area for purposes of this  
5           section.

6           “(C) EXCLUSION OF CERTAIN POPU-  
7           LATIONS.—The term ‘rural area’ does not in-  
8           clude any population described in subparagraph  
9           (H) or (I) of section 343(a)(13) of the Consoli-  
10          dated Farm and Rural Development Act (7  
11          U.S.C. 1991(a)(13)).

12          “(c) GRANTS, LOANS, AND COMBINATIONS.—

13                 “(1) IN GENERAL.—The Secretary shall make  
14                 grants, loans, and combinations of grants and loans  
15                 to eligible entities described in subsection (d) to pro-  
16                 vide funds for the construction, improvement, or ac-  
17                 quisition of facilities and equipment for the provision  
18                 of broadband service in rural areas.

19                 “(2) PROJECT ELIGIBILITY.—To be eligible for  
20                 a grant, loan, or grant and loan combination under  
21                 paragraph (1), in addition to the requirements of  
22                 subsection (d), the project that is the subject of the  
23                 grant, loan, or grant and loan combination shall—

24                         “(A) provide broadband service of at  
25                         least—

1           “(i) a 100-Mbps downstream trans-  
2           mission capacity; and

3           “(ii) a 100-Mbps upstream trans-  
4           mission capacity; and

5           “(B) subject to paragraph (4), be carried  
6           out in a proposed service territory in which at  
7           least 75 percent of the households lack access  
8           to broadband service of at least—

9           “(i) a 100-Mbps downstream trans-  
10          mission capacity; and

11          “(ii) a 20-Mbps upstream trans-  
12          mission capacity.

13          “(3) PRIORITY.—In making grants, loans, and  
14          grant and loan combinations under paragraph (1),  
15          the Secretary—

16          “(A) shall give priority to applications for  
17          projects to provide broadband service in a pro-  
18          posed service territory in which at least 90 per-  
19          cent of households lack access to broadband  
20          service of at least—

21          “(i) a 100-Mbps downstream trans-  
22          mission capacity; and

23          “(ii) a 20-Mbps upstream trans-  
24          mission capacity; and

1           “(B) may give priority to applications for  
2 projects to provide broadband service—

3           “(i) in proposed service territories—

4           “(I) with a population of less  
5 than 10,000 permanent residents;

6           “(II) that are experiencing out-  
7 migration and have adopted a stra-  
8 tegic community investment plan  
9 under section 379H(d) of the Consoli-  
10 dated Farm and Rural Development  
11 Act (7 U.S.C. 2008v(d)) that includes  
12 considerations for improving and ex-  
13 panding broadband service;

14           “(III) with a high percentage of  
15 low income families or persons (as de-  
16 fined in section 501(b) of the Housing  
17 Act of 1949 (42 U.S.C. 1471(b))); or

18           “(IV) that are isolated from  
19 other significant population centers;

20           “(ii) that would ensure that all labor-  
21 ers and mechanics employed by contractors  
22 or subcontractors on the construction work  
23 performed on projects financed, in whole or  
24 in part, with the grant, loan, or grant and  
25 loan combination shall be paid wages at

1 rates not less than those prevailing on  
2 similar construction in the immediate local-  
3 ity as determined by the Secretary of  
4 Labor in accordance with sections 3141  
5 through 3144, 3146, and 3147 of title 40,  
6 United States Code;

7 “(iii) that would provide rapid and ex-  
8 panded deployment of fixed and mobile  
9 broadband service on cropland and ranch-  
10 land within the service territory for use in  
11 various applications of precision agri-  
12 culture; or

13 “(iv) submitted by an eligible entity  
14 that has provided broadband service or  
15 other utility service for not less than 5  
16 years in rural areas in the State in which  
17 the project would be carried out.

18 “(4) ADDITIONAL REQUIREMENTS FOR GRANT-  
19 ONLY AWARDS.—To be eligible for assistance under  
20 paragraph (1) in the form of a grant only, in addi-  
21 tion to the requirements of subsection (d)—

22 “(A) an entity shall be—

23 “(i) a Tribal organization (as defined  
24 in section 4 of the Indian Self-Determina-

1                   tion and Education Assistance Act (25  
2                   U.S.C. 5304));

3                   “(ii) a colonia;

4                   “(iii) a persistent poverty county, as  
5                   determined by the Secretary; or

6                   “(iv) a socially vulnerable community,  
7                   as determined by the Secretary; or

8                   “(B) the project that is the subject of the  
9                   grant shall be carried out in a proposed service  
10                  territory in which at least 90 percent of house-  
11                  holds lack access to broadband service of at  
12                  least—

13                  “(i) a 100-Mbps downstream trans-  
14                  mission capacity; and

15                  “(ii) a 20-Mbps upstream trans-  
16                  mission capacity.

17                  “(d) ELIGIBILITY.—

18                  “(1) ELIGIBLE ENTITIES.—

19                  “(A) IN GENERAL.—To be eligible to ob-  
20                  tain a grant, loan, or grant and loan combina-  
21                  tion under subsection (c), an entity shall—

22                  “(i) submit to the Secretary an appli-  
23                  cation at such time, in such manner, and  
24                  containing such information as the Sec-  
25                  retary may require;

1           “(ii) agree to complete buildout of the  
2           broadband infrastructure described in the  
3           application by not later than 5 years after  
4           the initial date on which assistance under  
5           subsection (c) is made available; and

6           “(iii) participate or agree to partici-  
7           pate in—

8                   “(I) the Affordable Connectivity  
9                   Program established under section  
10                   904(b) of division N of the Consoli-  
11                   dated Appropriations Act, 2021 (47  
12                   U.S.C. 1752(b));

13                   “(II) the Lifeline program under  
14                   subpart E of part 54 of title 47, Code  
15                   of Federal Regulations (or any suc-  
16                   cessor regulation); or

17                   “(III) any successor Federal  
18                   internet affordability assistance pro-  
19                   gram.

20           “(B) INCLUSIONS.—An entity eligible to  
21           obtain a grant, loan, or grant and loan com-  
22           bination under subsection (c) may include—

23                   “(i) a State or local government, in-  
24                   cluding any agency, subdivision, instru-



1           mentality, or political subdivision of a  
2           State or local government;

3           “(ii) a territory or possession of the  
4           United States;

5           “(iii) an Indian Tribe (as defined in  
6           section 4 of the Indian Self-Determination  
7           and Education Assistance Act (25 U.S.C.  
8           5304));

9           “(iv) a cooperative or mutual organi-  
10          zation;

11          “(v) an organization of 2 or more in-  
12          corporated areas that have established an  
13          intermunicipal legal agreement for the pur-  
14          pose of delivering communication services  
15          to residents;

16          “(vi) a corporation; and

17          “(vii) a limited liability company or  
18          limited liability partnership.

19          “(C) INELIGIBLE ENTITIES.—An indi-  
20          vidual or legal general partnership that is  
21          formed with individuals shall not be eligible to  
22          obtain a grant, loan, or grant and loan com-  
23          bination under subsection (c).

24          “(D) LIMITATION.—

1           “(i) IN GENERAL.—An eligible entity  
2           described in this paragraph that provides  
3           telecommunications or broadband service  
4           to at least 20 percent of the households in  
5           the United States may not receive an  
6           amount of funds under this section for a  
7           fiscal year in excess of 15 percent of the  
8           funds authorized and appropriated under  
9           subsection (i) for the fiscal year.

10           “(ii) STATES AND STATE AGENCIES  
11           AND INSTRUMENTALITIES.—A State or an  
12           agency or instrumentality of a State may  
13           not, in total, receive an amount of funds  
14           under this section for a fiscal year in ex-  
15           cess of 15 percent of the funds authorized  
16           and appropriated under subsection (i) for  
17           the fiscal year.

18           “(E) PREVIOUS AWARDS.—An entity to  
19           which a grant, loan, or grant and loan combina-  
20           tion is made under subsection (c) shall not use  
21           the grant, loan, or grant and loan combination  
22           to deploy broadband service in a service area in  
23           which broadband service is deployed by any  
24           other entity that has received a broadband  
25           grant or loan from the Rural Utilities Service,

1 the National Telecommunications and Informa-  
2 tion Administration, the Department of the  
3 Treasury, the Federal Communications Com-  
4 mission, or a State broadband grant program,  
5 unless the service provided by the other entity  
6 does not provide to at least 75 percent of the  
7 households in the service area access to  
8 broadband service of at least—

9 “(i) a 100-Mbps downstream trans-  
10 mission capacity; and

11 “(ii) a 20-Mbps upstream trans-  
12 mission capacity.

13 “(2) EQUITY REQUIREMENTS.—

14 “(A) IN GENERAL.—The Secretary may re-  
15 quire an entity to provide a cost share in an  
16 amount not to exceed 25 percent of the amount  
17 of the grant (including the grant in a grant and  
18 loan combination) under subsection (c) re-  
19 quested in the application of the entity.

20 “(B) WAIVER.—The Secretary may waive  
21 the cost share requirement under subparagraph  
22 (A) for entities or projects described in sub-  
23 section (c)(4).

24 “(3) TECHNICAL ASSISTANCE AND TRAINING.—

1           “(A) IN GENERAL.—The Secretary may  
2 provide to eligible entities described in para-  
3 graph (1) that are applying for assistance  
4 under this section for a project described in  
5 subsection (c)(3)(A) technical assistance and  
6 training—

7           “(i) to prepare reports and surveys  
8 necessary to request grants, loans, and  
9 grant and loan combinations under this  
10 section for broadband deployment;

11           “(ii) to improve management, includ-  
12 ing financial management, relating to the  
13 proposed broadband deployment;

14           “(iii) to prepare applications for  
15 grants, loans, and grant and loan combina-  
16 tions under this section; or

17           “(iv) to assist with other areas of  
18 need identified by the Secretary.

19           “(B) FUNDING.—Not less than 3 percent  
20 and not more than 5 percent of amounts appro-  
21 priated under subsection (i) to carry out this  
22 section for a fiscal year shall be used for tech-  
23 nical assistance and training under this para-  
24 graph.

25           “(e) BROADBAND SERVICE.—

1           “(1) IN GENERAL.—Subject to paragraph (2),  
2           for purposes of this section, the minimum acceptable  
3           level of broadband service for a rural area shall be  
4           at least—

5                   “(A) a 100-Mbps downstream transmission  
6                   capacity; and

7                   “(B) a 100-Mbps upstream transmission  
8                   capacity.

9           “(2) ADJUSTMENTS.—At least once every 2  
10           years, the Secretary shall review, and may adjust  
11           through notice published in the Federal Register,  
12           the minimum acceptable level of broadband service  
13           established under paragraph (1) and broadband  
14           buildout requirements under paragraph (3) to en-  
15           sure that high-quality, cost-effective broadband serv-  
16           ice is provided to rural areas over time.

17           “(3) BROADBAND BUILDOUT REQUIREMENTS.—

18                   “(A) DEFINITION OF BROADBAND BUILD-  
19                   OUT REQUIREMENT.—In this paragraph, the  
20                   term ‘broadband buildout requirement’ means  
21                   the level of internet service an applicant receiv-  
22                   ing assistance under this section must agree, at  
23                   the time the application is finalized, to provide  
24                   for the duration of any project-related agree-

1           ment between the applicant and the Depart-  
2           ment.

3           “(B) ESTABLISHMENT OF BROADBAND  
4           BUILDOUT REQUIREMENTS.—The Secretary  
5           shall establish broadband buildout requirements  
6           that—

7                   “(i) utilize the same metrics used to  
8                   define the minimum acceptable level of  
9                   broadband service under paragraph (1);  
10                  and

11                   “(ii) reasonably ensure—

12                           “(I) the repayment of all loans;  
13                           and

14                           “(II) the financed network is  
15                           technically capable of providing  
16                           broadband service for the lifetime of  
17                           any project-related agreement.

18           “(C) SUBSTITUTE SERVICE STANDARDS  
19           FOR UNIQUE SERVICE TERRITORIES.—

20                   “(i) IN GENERAL.—If an applicant  
21                   shows that it would be cost prohibitive to  
22                   meet the broadband buildout requirements  
23                   established under this paragraph for the  
24                   entirety of a proposed service territory due  
25                   to the unique characteristics of the pro-

1 posed service territory, the Secretary and  
2 the applicant may agree to utilize sub-  
3 stitute standards for any unserved portion  
4 of the project.

5 “(ii) REQUIREMENT.—Any substitute  
6 service standards described in clause (i)  
7 should continue to consider the best tech-  
8 nology available to meet the needs of the  
9 residents in the unserved area.”;

10 (2) by redesignating subsections (g), (h), and  
11 (i) as subsections (f), (g), and (h), respectively;

12 (3) in subsection (f) (as so redesignated)—

13 (A) in the subsection heading, by striking  
14 “LOANS AND LOAN GUARANTEES.—” and in-  
15 serting “LOANS.—”; and

16 (B) in paragraph (1)—

17 (i) in the matter preceding subpara-  
18 graph (A), by striking “or loan guar-  
19 antee”; and

20 (ii) in subparagraph (A)—

21 (I) by striking clause (ii);

22 (II) by striking “Secretary—” in  
23 the matter preceding clause (i) and all  
24 that follows through “in the case” in  
25 the matter preceding subclause (I) of

1 clause (i) and inserting “Secretary in  
2 the case”; and

3 (III) by redesignating subclauses  
4 (I) and (II) as clauses (i) and (ii), re-  
5 spectively, and indenting appro-  
6 priately;

7 (4) in subsection (g) (as so redesignated), by  
8 striking “or loan guarantee” each place it appears;

9 (5) in subsection (h) (as so redesignated), in  
10 paragraph (1), by striking “1974)” and inserting  
11 “1974 (2 U.S.C. 661a))”; and

12 (6) by striking subsections (j) and (k) and in-  
13 serting the following:

14 “(i) FUNDING.—

15 “(1) AUTHORIZATION OF APPROPRIATIONS.—

16 There is authorized to be appropriated to the Sec-  
17 retary to carry out subsections (a) through (h)  
18 \$650,000,000 for each of fiscal years 2024 through  
19 2028, to remain available until expended.

20 “(2) ADMINISTRATION.—Not more than 5 per-  
21 cent of the amounts made available under para-  
22 graphs (1) and (3) shall be available to the Sec-  
23 retary for the administration of subsections (a)  
24 through (h).

25 “(3) DIRECT FUNDING.—



1           “(A) RESCISSION.—There is rescinded the  
2           unobligated balance of amounts made available  
3           to carry out section 779 of division A of the  
4           Consolidated Appropriations Act, 2018 (Public  
5           Law 115–141; 132 Stat. 399).

6           “(B) DIRECT FUNDING.—On the day after  
7           the execution of the rescission in subparagraph  
8           (A), there is appropriated to the Secretary, out  
9           of amounts in the Treasury not otherwise ap-  
10          propriated, an amount equal to the amount re-  
11          scinded in subparagraph (A), to carry out sub-  
12          sections (a) through (h), to remain available  
13          until expended.

14          “(j) ADDITIONAL RURAL BROADBAND PROGRAM  
15          LOANS.—

16               “(1) IN GENERAL.—The Secretary may provide  
17               direct loans in accordance with the requirements  
18               under this section, as in effect on the day before the  
19               date of enactment of the ReConnecting Rural Amer-  
20               ica Act of 2023.

21               “(2) AUTHORIZATION OF APPROPRIATIONS.—  
22               There is authorized to be appropriated to the Sec-  
23               retary to carry out this subsection \$350,000,000 for  
24               each of fiscal years 2024 through 2028, to remain  
25               available until expended.

1       “(k) TERMINATION OF AUTHORITY.—No grant, loan,  
2 or grant and loan combination may be made under this  
3 section after September 30, 2028.”.

4       (b) SUNSET.—Beginning on the date that is 120 days  
5 after the date of enactment of this Act, section 779 of  
6 division A of the Consolidated Appropriations Act, 2018  
7 (Public Law 115–141; 132 Stat. 399), shall have no force  
8 or effect.

○